

Before the
FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

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APR 12 1996

In the Matter of)

Federal-State Joint Board)

on Universal Service)

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CC Docket No. 96-45

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COMMENTS OF THE AMERICAN FEDERATION OF TEACHERS

The following are the comments of the American Federation of Teachers, AFL-CIO (AFT) filed pursuant to the Notice of Proposed Rulemaking issued by the Commission on March 8, 1996. The AFT represents over 880,000 members nationwide with the vast majority of this membership serving in public education at the Kindergarten-12th grade level. AFT has made a joint filing in this proceeding with the National School Boards Association, et al and makes this separate submission with regard to the additional subsidy for Special Services which should be provided to school districts with significant concentrations of children living in poverty

The Telecommunications Act of 1996 substantially expands access to telecommunications services by creating new Section 254(h) and Section 254(c), which require that core residential services be made available to all, including schools and libraries, at "just, reasonable, and affordable rates." Regarding Section 254(h), the

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Conference Report accompanying the Act provides that “elementary, secondary school classrooms, and libraries have affordable access to modern technology services that will enable them to provide...education services to all parts of the Nation.” The report further clarifies that classrooms and libraries must have access to new telecommunications services because “...to obtain access to advanced telecommunications services is critical to ensuring that these services are available on a universal basis...This universal access will assure that no one is barred from benefiting from the power of the Information Age” (H. Rep. 104-458, 104th Congress, 2nd session, at 132-133 (Jan. 31, 1996)). Also, subsections 254(c)(3) and (h) of the Act give the Commission great latitude in defining additional “special services” for schools. Section 254(c)(3) provides that the Commission “may designate additional services for such support mechanisms for schools, libraries...for the purpose of subsection (h), “which ensures that...elementary and secondary school classrooms, and libraries have affordable access to modern telecommunications services that will enable them to provide...educational services to all parts of the Nation.”

These new provisions that move advanced technology into classrooms and libraries serve two critical functions: 1) to increase the power of these institutions to deliver educational services to students and; 2) to have schools and libraries serve as institutional bases to expand access to advanced telecommunications to individuals throughout the country. This second, institutional function is consistent with the provisions in the underlying bill which stresses access to core universal and advanced services for all Americans.

This limited filing proposes ways to strengthen the second of these functions by providing recommendations that assure the largest numbers of students, specifically those in poor schools and districts will have access to the most advanced telecommunication services under the “special services” provisions, 254(c)(3) and (h).

Definitions of Special Services

We suggest that the Commission define special services to include all the services necessary to ensure that all schools and libraries have the ability to take advantage of all the benefits of advanced telecommunications.

Schools, especially those serving large numbers of poor students and students with diverse needs, such as those in urban areas, must be assured equal access to special services at “just, reasonable and affordable rates.” In many cases this will mean that poor urban, as well as rural schools will need discount rates that are greater than the one(s) established for schools in general. Therefore, we propose that the Commission establish an additional “lifeline” or “equity” rate and subsidy to ensure that these schools can afford special services.

Need

While studies show that schools nationally have insufficient infrastructure for access to advanced technology, the infrastructure problems in urban schools are often substantially greater than in other schools. Urban students served by resource poor schools have the largest numbers of youngsters who don’t have access to computers or computer networks. Unless these students are served adequately they will not have access to advanced educational services that technology can provide. To deny large numbers of students, such as those that reside in urban areas, access will negatively affect their

educational opportunities, their employment prospects, and help reproduce economic disparities between those who have technological proficiencies and those who do not.

Revitalizing urban communities will depend on increased business development in these areas. Decisions about where businesses will locate often depend on the availability of quality education in the communities being considered. Advanced technology in urban areas, therefore, can enhance the opportunities for much needed job growth and overall community development in urban areas.

Cost Savings

Urban areas, with dense populations can provide cost savings to carriers who serve their schools. Telecommunications hook-ups to a single school will serve larger numbers of students and classrooms than in smaller schools. Using a method for determining rates based on the Total Service Long Run Incremental Cost can substantially increase the cost savings to carriers and the larger schools they serve.

Eligibility for Lifeline or “Equity” Subsidies

We propose that determining eligibility for lifeline subsidies for poor schools and districts be based on a formula, such as the one used to distribute federal education funding under Title I of the Improving America’s School Act of 1995 (formerly the Elementary and Secondary Act). Title I is the largest single program that drives funding for school improvement to poor schools and the students they serve. Eligibility for Title I funding uses actual poverty counts of the population of youth between 5 and 17 who reside in states and local school districts. Poverty counts may be determined by Census Department data, numbers of students from families receiving AFDC, number of students who receive free and reduced price lunches, etc.

Further, we propose that only those school districts with at least 15% of their youth population in poverty be eligible for the special “lifeline” or “equity” discount rates. Wealthier school districts with small pockets of poverty and which do not require as great a subsidy should not be eligible. Using a formula such as suggested above can insure that substantial numbers of urban and rural schools serving the poorest students would qualify.

The amount of the subsidy to local districts would be proportional to the poverty rate within those districts, utilizing a variety of additional factors and measures of poverty such as those used in the Title I Program. An equivalent subsidized amount for the carrier providing services would count against the carrier’s contribution to the Universal Services Fund.

Benefits of a Poverty Count Method for Determining Lifeline Service Over Methods Based on Percentages of Poverty Districts

A primary benefit of using actual poverty counts based on a federally-determined formula is that more students will be served and resources will be directed to areas with greatest need - - addressing a major goal of the new Act; to use schools to expand affordable access as widely as possible and assure that “no one is barred from benefiting from the power of the Information Age.”

Methods for determining eligibility based on a percentage of poorest districts, ranked by median family income could slow the expansion of advanced technology to large numbers of students in many urban communities. Under this method, sparsely populated school districts with low median incomes would receive special discounts and subsidies. However, the actual number of poor students served would be quite low compared to the numbers that would be eligible for services in more densely populated

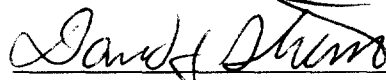
districts and schools. Thus, this method would produce a built-in bias against urban schools, districts, and communities.

Finally, using a method based on a formula such as Title I, which counts numbers of youngsters in poverty as a basis for services, is administratively feasible and familiar to states, local school districts, and schools. Various kinds of poverty data, analyzed and reported in ways that are appropriate for use at the federal, state, and local district levels are available and have been used by educators for decades. State and local education structures are already in place and prepared to administer services under such formulas. Additionally, there is broad acceptance among educators across the nation for using these methods for distributing services for poor students.

Conclusion

Based on the foregoing facts, reasoning and argument AFT submits that the Joint Board should recommend that the Commission establish a flexible lifeline rate, modeled after that used to distribute Title I services, for special services to be provided to school districts with substantial numbers of children living in poverty. Such steps are vital to help ensure that the Act fulfills its promise that telecommunications services are provided to all parts of our Nation.

Respectfully Submitted,



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April 12, 1996

Certificate of Service

I hereby certify that I have caused to be mailed this 12th day of April, 1996, copies of the foregoing Joint Comments of American Federation of Teachers, by first class mail, postage prepaid, to the following persons:

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